



**NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Thirteenth Annual General Meeting of Salcon Berhad ("the Company") will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 May 2016 at 10.30 a.m. for the following purposes:-

**AGENDA**

- To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **[Please see Note 2]**
- To approve the payment of the first and final single tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2015. **[Resolution 1]**
- To approve the payment of Directors' fees for the financial year ended 31 December 2015. **[Resolution 2]**
- To re-elect Dato' Leong Kok Wah who retires pursuant to Article 96 of the Company's Articles of Association. **[Resolution 3]**
- To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the next Annual General Meeting. **[Please see Note 3]**
  - Dato' Seri (Dr.) Goh Eng Toon **[Resolution 4]**
  - Dato' Dr. Freezailah Bin Che Yeom **[Please see Note 4]** **[Resolution 5]**
- To re-appoint Messrs KPMG as Auditors of the Company and authorise the Directors to fix their remuneration. **[Resolution 6]**

**AS SPECIAL BUSINESS**

To consider and, if deemed fit, to pass, with or without modifications, the following resolutions:

- Ordinary Resolution** **[Please see Note 5(a)]**  
**Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965**  
"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and is hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that authority shall continue in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." **[Resolution 7]**
- Ordinary Resolution** **[Please see Note 5(b)]**  
**Continuation in Office as an Independent Non-Executive Director**  
"THAT, subject to the passing of Resolution 5, approval be and is hereby given for Dato' Dr. Freezailah Bin Che Yeom who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **[Resolution 8]**
- Ordinary Resolution** **[Please see Note 5(c)]**  
**Proposed Renewal of Authority for Share Buy-Back**  
"THAT, subject always to the Companies Act, 1965, the provisions of the Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-  
(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;  
(ii) an amount not exceeding the Company's audited retained profits or/and share premium account at the time of purchase(s) will be allocated by the Company for the purchase of own shares; and  
(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.  
AND THAT the authority conferred by this resolution will commence immediately upon the passing of this Ordinary Resolution and will, subject to renewal thereof, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution (unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting) but shall not prejudice the completion of purchase(s) by the Company before that aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant authorities;  
AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase(s) with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends) in accordance with the Companies Act, 1965, the provisions of the Articles of Association of the Company and the requirements and/or guidelines of Bursa Securities for the Main Market and all other relevant governmental and/or regulatory authorities." **[Resolution 9]**
- Special Resolution** **[Please see Note 5(d)]**  
**Proposed Amendments to the Articles of Association of the Company**  
"THAT the amendments to the Articles of Association of the Company as set out in the Appendix 1 ("Proposed Amendments") on pages 192 to 197 of the 2015 Annual Report be and are hereby approved. **[Resolution 10]**  
AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendments with full powers to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities."  
11. To consider any other business of which due notice shall have been given.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS HEREBY GIVEN** that subject to the approval of the shareholders at the Thirteenth Annual General Meeting to be held on 26 May 2016, a first and final single tier dividend of 2 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2015 will be paid on 15 June 2016.

The entitlement date for the dividend is 31 May 2016.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 31 May 2016 in respect of transfers; and
- Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**BY ORDER OF THE BOARD**

**Wong Wai Foong (MAICS 7001358)**  
**Jeanne Toh Joo Ann (LS 0008574)**  
Company Secretaries

Kuala Lumpur  
Date: 29 April 2016

**Notes:-**

**1. APPOINTMENT OF PROXY**

- A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.
- For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies. A proxy may but need not be a member of the Company and Section 149(1) (b) of the Companies Act, 1965 shall not apply.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office at 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the meeting or any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 18 May 2016 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on their behalf.

**2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

**3. RE-APPOINTMENT OF DIRECTORS PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965**

The Resolution 4 and Resolution 5, if passed, will authorise the continuity in office of the Directors (who are over the age of 70 years) until the next Annual General Meeting.

**4. RE-APPOINTMENT OF INDEPENDENT DIRECTOR**

In line with the Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee and the Board of Directors ("Board") had undertaken an annual assessment on the independence of Dato' Dr. Freezailah Bin Che Yeom who is seeking for re-appointment pursuant to Section 129 of the Companies Act, 1965, at the forthcoming Thirteenth Annual General Meeting. The annual assessment had been disclosed in the Corporate Governance Statement of the Company's 2015 Annual Report.

**5. EXPLANATORY NOTES TO SPECIAL BUSINESS:**

**(a) AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

The proposed Resolution 7 is the renewal of the mandate obtained from the members at the last Annual General Meeting. As at the date of this Notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the Twelfth Annual General Meeting held on 25 June 2015 as there were no requirements for such fund raising activities.

The proposed Resolution 7, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

**(b) CONTINUATION IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

Pursuant to the Malaysian Code on Corporate Governance 2012, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

The Nomination Committee and the Board had assessed the independence of Dato' Dr. Freezailah Bin Che Yeom and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- he fulfilled the criteria of an Independent Director pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements;
- he is familiar with the Company's business operations as he has been with the Company for a period of more than nine (9) years;
- his long tenure with the Company has neither impaired nor compromised his independent judgement. He is free from any business or other relationships which could interfere with his exercise of independent judgement. He continues to remain objective and is able to exercise independent judgement in expressing his views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;
- he has devoted sufficient time and attention to his responsibilities as an Independent Non-Executive Director of the Company; and
- he has exercised due care during his tenure as an Independent Director of the Company and carried out his duties in the interest of the Company and shareholders.

The proposed Resolution 8, if passed, will enable Dato' Dr. Freezailah Bin Che Yeom to continue to act as an Independent Non-Executive Director of the Company.

**(c) PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The proposed Resolution 9, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the issued and paid-up share capital of the Company. Please refer to the Statement to Shareholders dated 29 April 2016 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

**(d) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS")**

The proposed Resolution 10, if passed, will approve the amendments to the Articles of Association of the Company. The Proposed Amendments are to align the Company's Articles of Association with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and to ensure clarity and consistency throughout the Articles of Association as well as to facilitate some administrative issues.

The detailed information on the Proposed Amendments is set out in Appendix 1 on pages 192 to 197 of the 2015 Annual Report.

**STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Directors who are standing for election at the Thirteenth Annual General Meeting are as follows:

- Dato' Seri (Dr.) Goh Eng Toon
- Dato' Dr. Freezailah Bin Che Yeom

The profiles of the above Directors are set out in the section entitled "Profile of Directors" on pages 12 to 17. The details of their respective interests in the securities of the Company are set out in the section entitled "Analysis of Shareholdings" on pages 183 to 186.